Iowa Telecommunications & Technology Commission
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319

FINAL

May 16, 2013

To ensure the most efficient use of State resources, the May 16, 2013, ITTC meeting was held via video conference pursuant to Iowa Code section 21.8. A video conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

Commissioners Present
Richard Bruner, Chair (on-site)
Robert R. Hardman, Member (via videoconference, Cedar Falls)
Mary Sellers, Member (on-site)
Kathleen Kohorst, Member (on-site)
Tim Lapointe, Member (via videoconference, Mason City)
Mary Mosiman, Member (on-site)

Iowa Communications Network Staff Present:
Dave Lingren, Executive Director
Mark Johnson, Administration Director
Phil Groner, Business Services Manager
David Marley, Network Operations and Engineering Manager
Ric Lumbard, Network Operations and Engineering Director (via teleconference)
Deb Evans, Finance Manager
Lori Larsen, Communications Director
Jontell Harris, Director of Government Relations
Helen Troyanovich, Product Engineering and Delivery Manager
Darcy Pech, Marketing and Communications Specialist
Tammy Ranfeld, Accounting Technician 2
Marcia Page, Executive Secretary
Carmelita Doke, Receptionist (Recorder/Minutes)

Guests:
Meghan Gavin, Attorney General's Office
Laura Cathelyn, Attorney General's Office
Joe Hrdlicka, Iowa Telecommunications Association (ITA)

Call to Order

Chair Bruner called the meeting to order at 10:35 a.m. It was noted that a quorum of members was present for the meeting. Commissioner Bruner introduced Mary Mosiman as the newest member of the Iowa Telecommunications and Technology Commission (ITTC) and the new State Auditor.

Approval of the 03/27/2013 and 04/17/2013 Meeting Minutes

Commissioner Kohorst moved to approve the 03/27/2013 and 04/17/13 ITTC minutes as written. Commissioner Sellers seconded the motion.

      Commissioner Hardman – Yes
      Commissioner Kohorst – Yes
      Commissioner Sellers – Yes
      Commissioner Lapointe - Yes

Commissioner Bruner – Yes

Old Business

BTOP Grant Update – Dave Lingren
The progress for the Broadband Technology and Opportunities Program (BTOP) grant project has been on-going for about three years. The project allowed the ICN to update the ICN network and expand the available bandwidth in order to address the growing needs of state offices, Education, Healthcare, Public Safety and other agencies that ICN serves. This project will generate positive revenue for ICN. The project will end on June 30, 2013.

ICN is meeting with National Telecommunications and Information Administration (NTIA), a part of the Department of Commerce, May 30 - 31, 2013 for updates regarding the winding down of the project. ICN is 94 percent complete with the BTOP project.

Request for Proposal (RFP) Update – Jontell Harris
As approved at the last ITTC meeting, internal RFP deadlines were extended at the discretion of the ICN. ICN extended the deadline for information requests to April 21, 2013. The resource room availability was extended to May 21, 2013. RFP responses were originally due April 31, 2013 but the deadline was extended to May 30, 2013. The evaluation process will begin immediately after RFP responses have been received on May 30, 2013. Following completion of the evaluation process, a detailed analysis will be given to the Governor's Office by June 28, 2013.

Legislative Update – Mark Johnson
The legislative session is currently in progress and legislators are working to act on approximately 10-12 bills. The session completed three conference committee budget bills. The Administration and Regulation Budget Bill is one of the bills, which includes the $993,000 for the Regional Telecommunications Councils (RTC) as well as included the requested intent language related to the appropriation. Once the bill has been finalized, it will be sent to the Governor's Office for his signature.

An agreement was made for the majority of the Infrastructure Appropriations Bill, although the legislature is working through some items. The ICN equipment appropriation is included in the bill. As you may recall, the House approved the full $2.1 million dollars, which includes about $1 million dollars for the Capital Complex phone system and $1.1 million dollars for equipment replacement of the ICN network that is used to draw down federal funds under the E-rate program and used to lower the costs for educational users. The Senate reduced the amount and provided funding for the equipment to draw down the federal e-rate funds but took out the state agency telecommunications funding. At this time, this topic is an on-going point of discussion. Once the Conference Committee Report is ready, ICN will know what has been approved on the bill.

New Business:

Financial Updates – Deb Evans
Due to the Infrastructure Appropriations Bill not being approved at this time, the Finance report has been put on hold. The Appropriations Bill is worth $2.2 million dollars. If the funding for the new phone service is not approved, the budget will need to be modified. The bill also includes language pertaining to the contract cap limitation which will affect the ICN's plan for managed service of the

ICN phones if the Senate does not remove the cap. Once legislative session has concluded, the ICN Finance department will be able to balance out the expenditures for the FY 14 budget and a report will be sent.

ICN will have an increased budget spending plan due to rising costs of maintenance and training fees of new services that ICN would like to implement. Professional fees include payments for consulting because of a new system ICN would like to implement. Project Management for Fiberutilities necessary for the Request for Proposal (RFP) for the Sale/Lease of ICN and the Broadband Technology and Opportunities Program (BTOP) expense, which is approximately $1.5 million, will no longer be an expense. ICN personnel costs will increase; however, ICN Finance has refrained from back filling positions due to the costs of completing these projects. Once the legislation has approved, a budget report will be submitted to the Commission for review.

The ICN is subject to a limitation on the amount it can spend under an individual contract. Currently, ICN is working with a vendor for the Open Scape Voice (OSV) Project. If an exception for the spending limitation is not approved by the legislature for this project, adjustments related to the managed service project will need to be made. If not approved, ICN will have to try again by a new Request for Proposal (RFP) and start the process over. Managed services should reduce some of our expenses; however, the fee for this service is $1 million dollars during the first year. It is essential that to this project that an exception to the contract limitation amount be approved. The current contract limitation amount is approximately $2.1 million. This is adjusted every year based upon the Consumer Price Index (CPI). The managed services contract would be a multi-year contract and would exceed the $2.1 million dollar amount. The language proposed was included in the Infrastructure Bill along with the Equipment Appropriation request. The language is similar to the legislation approved when the BTOP project was started.

Action – Waiver Approval – Phil Groner
Hawkeye Community College Waiver – Due to not having a quorum to vote or take action in the last ITTC meeting, this waiver request was held over to this meeting. Hawkeye Community College had previously obtained a waiver from the Commission for ICN's long distance service. At that time, ICN could not provide out-bound Caller ID for long distance services. Hawkeye Community College required out-bound Caller ID for its capital campaigns when calling alumni and wanted the numbers of individuals called to be displayed on the phones. ICN has since upgraded the long-distance service which includes the ANI (Automatic Number Identification) and Caller ID. ICN has also succeeded in converting customers back to ICN phone services. Hawkeye Community College acquired a contract that went beyond the waiver request and the contract will expire in March. ICN has spoken with Hawkeye and they plan to switch over during the summer. Existing contract issues with the current vendor also needed to be resolved. They are simply asking to extend the waiver to June 30, 2013.

Commissioner Lapointe moved to extend the Hawkeye Community College waiver to the deadline of June 30, 2013. Commissioner Kohorst seconded the motion.

> Commissioner Hardman – Yes
> Commissioner Kohorst – Yes
> Commissioner Sellers – Yes
> Commissioner Lapointe - Yes
> Commissioner Bruner – Yes

Action – FY14 RTC Documentation

As ICN moves forward with this year's allocation process with the Regional Telecommunications Councils (RTC), it was the first year that ICN administrated the general fund appropriation that was distributed to the community colleges that support the RTC. Allocating these funds has been an evolving process and a year of information gathering for ICN. ICN received feedback from the RTCs regarding the required documentation. The RTCs stated that completing the documentation was a time consuming process.   The support functions ICN has been more involved with are the video scheduling, the Local Area Network (LAN), the Wide Area Network (WAN) which is provided by the Area Education Agencies (AEA) and the Video Technician Support for the video classrooms.

The proposal presented today will be to reduce the time burdens for the RTC and still provide a level of accountability needed with the changes. ICN also presented and received the support of all the Education Telecommunications Council (ETC) leadership with these changes. As previously stated, the RTC language has been finalized and has to be approved by the Governor's Office.

- o The first paragraph of the provided handout (see below) identifies the actual appropriation language. The second paragraph is the new added language which is different from the previous appropriation language and identifies the usage base model for the appropriation allocation for the 15 community colleges, as well as specific due dates for the reports submitted to the Commission for review. The next section states the actual allocation model based on usage. Previously, during this current fiscal year, there was a baseline where each community college received a certain amount of funding per the number of video sites in each region. Since ICN is transitioning to a more IP-based video structure, it will be harder to identify what a video site will be which is why ICN wanted to merge over to a usage based model. The formula is based on the FY12 financial information. The actual formula is the FY12 percentage of the total ICN usage for all regions equals the percentage of the allocation received. The ICN usage includes internet, data and video from community colleges, Area Educational Agencies (AEAs) and K-12 schools. ICN identified the list of each region and what the FY14 allocations would be then, provided the difference. As shown, each of the regions will receive $50,000 and the rest of the distribution is based on the new usage model.

- o The next part of the handout for the RTC documentation is information to be submitted to the Commission.

  - The appropriation funding process would still continue twice per fiscal year for distribution to each of the regions.
  - The budget will be a condensed version of the original document and will be linked to disburse the first half of the allocations requested in each of the regions' budgets. The condensed version shows sections that have been removed from the older version, which was a thirteen page document. The condensed version reflects what is actually received in the budget and includes an accountability form.
  - If a region receives some of the actual funding, the Chief Finance Officer (CFO) will have to sign off to verify the money has been used appropriately.

- The second and third items on the handout show the reports incorporated with the semi-annual report due on January 31, 2014 and the annual report due on July 31, 2014. Those reports are linked to the actual appropriation language and the semi-annual report would be replacing the actual monthly tracking. Hopefully, this will reduce the time burdens that were identified for many of the support functions.

ICN is requesting the Commission's approval of the new RTC formula allocation process based on usage, the revised RTC documentation, and the disbanding of the current ITTC's RTC subcommittee. Due to the condensed version, there will not be a need for a second level of review. The ICN staff would review and present a summary to the Commission for action. Any future RTC changes will be presented to the Education Telecommunications Council (ETC) leadership for review.

Commissioner Hardman made a motion to approve the new RTC formula allocation, the revised RTC documentation, and disbanding the ITTC's RTC subcommittee. Commissioner Kohorst seconded the motion.

Discussion

Q. Commissioner Sellers stated that she understood the allocation formula based on percentage of usage but wanted an example given of the estimated usage of a college, such as Northeast Iowa Community College, and the dollar amount was used to formulate the allocation.

A. The usage based formula is a combination of the internet data and video usage. Many video sites are not being used today and ICN may receive money for a site that is not in use. The new model gives ICN a usage baseline and states how much is billed to Northeast Iowa Community College for internet, data and what the video hours of usage are and includes what the percentage of the total bill would be for each of the regions.

Q. Commissioner Lapointe commented that he was very glad the RTC process had been streamlined. The RTC funding had been approved in full. However, with the transparency and new reporting process, did that have anything to do with the full funding of the RTC appropriation or if the legislation has seen the change yet?

A. The legislature has seen and spoken about it. The new reporting process of the RTC allocation really didn't have any relevance to the approval. The major issue was the Governor had approved it based within his budget. He had a two-year budget and a certain dollar amount for this year and a reduced dollar amount for next year. So the legislation will consider the Governor's budget and follow within the constraints of the Governor's budget.

Commissioner Hardman – Yes
Commissioner Kohorst – Yes
Commissioner Sellers – Yes
Commissioner Lapointe – Yes
Commissioner Bruner – Yes

Fiscal Year 2014 Regional Telecommunications Councils (RTC) Overview

House File 603 (Senate amendment S3159)

*"Sec. 9. IOWA TELECOMMUNICATIONS AND TECHNOLOGY
COMMISSION — REGIONAL TELECOMMUNICATIONS
COUNCILS. There is appropriated from the general fund of the
state to the Iowa telecommunications and technology
commission for the fiscal year beginning July 1, 2013, and ending
June 30, 2014, the following amounts, or so much thereof as is
necessary, to be used for the purposes designated: For state aid for
regional telecommunications councils: $992,913*

*The regional telecommunications councils established in section 8D.5 shall use the moneys
appropriated in this section to provide coordination of technical assistance for network
classrooms, planning and troubleshooting for local area networks, scheduling of video sites and
other related support activities. Moneys appropriated in this section shall be distributed by the
commission to the regional telecommunications councils based upon usage by region. The
regional telecommunications councils shall report to the Iowa telecommunications and technology
commission by January 31, 2014, for the immediately preceding six-month period beginning on
July 1, 2013, and ending December 31, 2013, and by July 31, 2014, for the immediately
preceding six-month period beginning on January 1, 2014, and ending on June 30, 2014. The
report shall include information requested by the commission related to the activities supported
through this appropriation"*

Note: HF 603 Fiscal Year 2015 RTC appropriation - $843,976

RTC Allocation Based on Usage *(New Formula)*

FY12 percent of Total ICN Usage for all Regions = percent of Allocation Received

- ICN usage includes: Internet, data, and video from community colleges, Area Education
  Agencies (AEA), and K-12 schools
- Charges and discounts are based on Fiscal Year 2012 billed services financial
  information

Regions	Community College	Allocation based on % of Usage	Allocation Baseline	FY14 Allocation	FY 13 Allocation	Difference
1	Northeast Iowa	$22,682.71	$50,000.00	$72,682.71	$ 70,379.00	2,303.71
2	North Iowa Area	$12,774.88	$50,000.00	$62,774.88	$ 63,858.00	(1,083.12)
3	Iowa Lakes	$14,517.89	$50,000.00	$64,517.89	$ 55,707.00	8,810.89
4	Northwest Iowa	$4,092.66	$50,000.00	$54,092.66	$ 54,892.00	(799.34)
5	Iowa Central	$13,717.03	$50,000.00	$63,717.03	$ 69,563.00	(5,845.97)
6	Iowa Valley	$10,700.06	$50,000.00	$60,700.06	$ 59,782.00	918.06
7	Hawkeye	$14,946.23	$50,000.00	$64,946.23	$ 65,488.00	(541.77)
9	Eastern Iowa	$11,555.33	$50,000.00	$61,555.33	$ 60,597.00	958.33
10	Kirkwood	$40,547.52	$50,000.00	$90,547.52	$ 83,420.00	7,127.52

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Fiscal Year 2014 Regional Telecommunications Councils (RTC) Overview

11	Des Moines Area	$42,496.04	$50,000.00	$92,496.04	$ 94,017.00	(1,520.96)
12	Western Iowa Tech	$11,678.78	$50,000.00	$61,678.78	$ 65,488.00	(3,809.22)
13	Iowa Western	$11,601.44	$50,000.00	$61,601.44	$ 72,824.00	(11,222.56)
14	Southwestern	$8,496.18	$50,000.00	$58,496.18	$ 58,967.00	(470.82)
15	Indian Hills	$14,255.88	$50,000.00	$64,255.88	$ 60,597.00	3,658.88
16	Southeastern	$8,850.38	$50,000.00	$58,850.38	$ 57,337.00	1,513.38
Totals		$242,913.00	$750,000.00	$992,913.00	$ 992,913.00	-

RTC Documentation

1. **Budget and Accountability Forms due September 1, 2013**
   - ITTC reviews and action is taken on Regional Support Services Budgets
   - Disperses first half of RTC requested budget
   - Condensed documentation
2. **Semi-Annual Reports due January 31, 2014**
   - ITTC reviews and action is taken on Regional Semi-Annual Reports
   - Disperses second half of RTC requested budget
   - Replaces monthly tracking
3. **Annual Reports due July 31, 2014**
   - ITTC reviews and action is taken on Regional Annual Reports

Action Items Requested

- Action accepting new RTC formula allocation process based on usage
- Action accepting RTC documentation
- Action disbanding ITTC's RTC Subcommittee

Additional Explanation:

- Due to the condensed reporting requirements, it is recommended to disband the ITTC's RTC subcommittee.
- Future review of documentation will be completed by ICN staff and presented to the Commission for action.
- Any future RTC changes will be presented to Educational Telecommunications Council (ETC) leadership for feedback.

Introduction of the New ICN Logo – Darcy Pech

An introduction and transition to the new updated ICN logo was presented. The logo has been trademark approved. This new logo has additional symbols so that ICN can be distinguished as more than just a distance learning network. The new logo includes symbols representing the Judicial Branch, Healthcare, Public Safety, and Libraries. A smaller logo is also shown without any symbols and can be used on letterhead or other appropriate instances. Also included is a new tag line, "Enhanced Services to Benefit Iowans", which incorporates other ICN services such as voice, data and video. This provides a more comprehensive idea of what ICN does. ICN is also in the process of updating marketing materials. The ICN website has been updated since it has gone live using the smaller logo. A new letterhead has also been created incorporating the new logo. There are individuals who do not know the ICN background or understand the purpose of the Commission. The new letterhead will be used for day-to-day business and the Commission letterhead will be used for Commission business. The old logo was determined to be outdated and needed a new updated look to reflect the "new" ICN and who we serve.
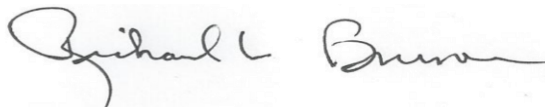
Other Business – Executive Director, Dave Lingren

Commissioner Lapointe suggested that the ITTC send a card to former Auditor Vaudt thanking him for his service on the Commission and congratulating him on his new position.

Adjournment

Commissioner Kohorst moved that the meeting be adjourned. The ITTC meeting adjourned at 11:05 a.m.

ATTESTED TO:

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Richard Bruner, Chair, Iowa Telecommunications and Technology Commission